

# CONTROLLER JOHN CHIANG

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## Controller Chiang Comments on Governor's Revised Budget Proposal

**SACRAMENTO** – State Controller John Chiang issued the following response to the Governor's May Revision:

"I compliment the Governor for proposing a budget that recognizes that the magnitude of the current fiscal crisis warrants open-mindedness to solutions that impact both sides of the ledger.

"However, the Governor's budget proposal relies too heavily on risky borrowing and questionable assumptions that could plunge the State into deeper fiscal crisis if they fail to materialize.

"Without a timely budget based on sound assumptions and containing real solutions, the State could run out of cash as early as August and will have no option other than expensive external borrowing to meet the State's payment obligations. I urge the Legislature to work quickly to enact a solid budget that protects those who rely on government services and paves the way toward long-term fiscal stability.

"My office expects to receive the Governor's revenue projections next week and will immediately begin testing his budget assumptions and proposed solutions to determine their viability and what impact their success or failure will have on the State's cash balance. I hope to make those analyses available by the end of the month to assist the Legislature in its difficult task."

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